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October 25, 2007

Mr. Leo Drozdoff, Administrator  
Nevada Division of Environmental Protection  
901 S. Stewart Street  
Carson City, NV 89701

Dear Mr. Drozdoff:

I am writing you today on behalf of the Board of Directors of Nevadans for Clean Affordable Reliable Energy (NCARE). NCARE's purpose is to participate in member selected forums to present information to promote the expanded use of energy efficiency, renewable energy and other clean energy technologies in Nevada. NCARE is comprised of the following organizations: Bristlecone Alliance, a Nevada non-profit cooperative corporation, with an office in Ely, Nevada; Citizen Alert, a Nevada non-profit corporation, with an office in Las Vegas, Nevada; Nevada Conservation League (NCL), a Nevada non-profit corporation, with offices in Las Vegas and Reno, Nevada; Progressive Leadership Alliance of Nevada (PLAN), a Nevada non-profit organization, with offices in Las Vegas and Reno, Nevada; the Sierra Club, a California non-profit corporation licensed to do business in Nevada, with an office in Las Vegas, Nevada; Southwest Energy Efficiency Project (SWEEP), a Colorado non-profit corporation, with an office in Incline Village, Nevada; and Western Resource Advocates, a Colorado non-profit corporation licensed to do business in Nevada, with an office in Carson City, Nevada.

We are writing to convey our concerns that a critical negotiation your agency is in charge of, regarding Nevada's energy future, is taking place in private without any opportunity for broad public participation. We urge you to create an open public process immediately to ensure that all Nevadans can play a part in developing energy solutions that make sense for Nevada and in protecting our state from global warming.

We understand that your agency is currently negotiating a "Memorandum of Understanding" (MOU) between the State of Nevada and the companies proposing to build a new generation of coal-burning power plants in our state. It is our understanding that this MOU is for the express purpose of ensuring that any new coal-burning power plants utilize new technologies to capture carbon and other greenhouse gas emissions when such technologies become economically feasible.

It is critical – and a matter of fundamental fairness – that the public, nongovernmental scientists, and all interested stakeholders be allowed to comment on the proposed MOU before it is signed into final form. If done properly, with scientific and economic input, as well as comments from the general public, this MOU could be a valuable tool in plotting a smart energy path for Nevada. However, if the MOU is instead crafted in a backroom between coal proponents and your agency, it will lack credibility and risk being perceived, accurately, as a PR “greenwashing” stunt to mask the costs to our state of these new coal plants.

The public, scientists, and economists should be included in the MOU process because critical questions must be answered:

1. What prevents the technologies that can capture carbon emissions from being utilized now? According to the EPA, these technologies are already available and viable. (See EPA’s comments to White Pine draft EIS.)
2. What is the anticipated timeline by which “carbon capture” technology will become economically feasible?
3. If the companies must only install carbon capture technology “when economically feasible,” what standard will be used to determine economic feasibility?
4. Since the plants currently propose to use old-fashioned, pulverized coal technology, what are the obstacles and costs to installing retrofitted carbon-capture technology in a pulverized coal plant after the plants have already been built?
5. Is it possible that it will never be economically feasible to install the new technology into plants built with the old technology?
6. Is it possible that carbon-capture technology will never become technically or economically feasible for any plant?
7. If so, what will be the financial and environmental costs of having built new coal-burning, carbon-emitting plants whose carbon cannot be captured?
8. What are the anticipated additional costs that Nevada ratepayers will be asked to shoulder to continue to operate plants whose technology may soon become obsolete in a world in which carbon is regulated?

These are just some of the questions that a public process must allow to be *publicly* asked and *publicly* answered.

Ensuring the public’s input is a matter of fairness. These MOUs will affect everyone who pays an electric bill in Nevada.

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The construction of these coal plants – and the likelihood of significant future regulation of carbon emissions – poses significant financial risks for all the state's electricity ratepayers. In fact, Sierra Pacific, the parent company of the state's two main utilities, warned its investors of those risks in financial filings earlier this year.

Global warming is already affecting Nevada, and unless we do something about greenhouse gases, the problem will continue to get worse. To protect the state and its residents from further costs, the MOU need to have specific standards that must be met, and the public has a right to participate in the development of these agreements. At the least, your agency should invite the public to submit comments concerning a draft of the MOU and have those questions answered in an open forum.

Please feel free to contact me with any questions or concerns. We look forward to working with the Division to ensure a full public process in all permitting aspects relating to these coal plants. These plants will affect Nevadans for generations to come, and we need to make sure that we are giving every part of the process the daylight it deserves.

Respectfully,

Charles Benjamin, Ph.D., J.D.

Copy:

Honorable Jim Gibbons

Governor, State of Nevada

Ms. Catherine Cortez Masto

Attorney General, State of Nevada

Mr. Eric P. Witkoski

Consumer Advocate

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Mr. Pete Anderson

Ms. Rose Marie Reynolds, Legal Counsel

Mr. John Walker, Secretary

Mr. Robert Pearson, Recording Secretary

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